

## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5 77 WEST JACKSON BOULEVARD CHICAGO, IL 60604-3590

JAN 0 9 2017

REPLY TO THE ATTENTION OF: E-19J

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First St., N.E., Room 1A Washington, DC 20426

Re: Final Environmental Impact Statement (FEIS) NEXUS Gas Transmission Project and Texas Eastern Appalachian Lease Project (NGT/TEAL Projects) [FERC Docket Nos. CP16-22-000 and CP16-23-000, respectively; and, CP16-24-000 (DTE Gas Company) and CP 16-102-000 (Vector Pipeline L.P.)] (CEQ No. 20160289)

Dear Ms. Bose:

In accordance with our responsibilities under Section 309 of the Clean Air Act, the National Environmental Policy Act (NEPA), and the Council on Environmental Quality (CEQ) regulations for implementing NEPA, the United States Environmental Protection Agency (EPA) has completed its review of the Federal Energy Regulatory Commission's (FERC) FEIS for the NGT/TEAL Projects, proposed by NEXUS Gas Transmission, LLC (NEXUS) and Texas Eastern Transmission, LP (Texas Eastern), (Project Proponents), respectively.

FERC is considering Project Proponents' request for a Certificate of Public Convenience and Necessity (Certificate) to construct and operate a new greenfield natural gas pipeline and related facilities, and expand an existing pipeline system from the Appalachian Basin to deliver 1.5 million dekatherms per day to markets in Northern Ohio, Southeastern Michigan, and Ontario Canada, as well as other markets in the Midwest including the Chicago Hub through interconnections with other pipelines. DTE Gas Company and Vector Pipeline LP are requesting approval to lease capacity on their systems to NEXUS.

EPA commented on the Draft EIS (DEIS) on August 26, 2016. We rated the DEIS Environmental Concerns, Insufficient Information (EC-2). We recommended the FEIS include additional information and analysis regarding disclosure, avoidance, and minimization of impacts: 1) to wetlands and streams, 2) to upland forest, interior (core) forest and associated species, 3) to contaminated sites, 4) from noise, and 5) from greenhouse gases and methane leakage. We also recommended the FEIS include: 1) wetland/stream mitigation plans, 2) upland interior (core) forest mitigation plans, 3) a Migratory Bird Conservation Plan, and 4) NEXUS' and Texas Eastern's emergency response plans.

FEIS Appendix R (pages R-4 to R-22) provides FERC's responses to EPA's DEIS comments. We appreciate that many of our earlier comments and recommendations were considered and addressed in the FEIS.

However, the FEIS does not include proposed wetland/stream mitigation plans, nor a signed/dated Memorandum of Understanding (MOU) between the applicants and the U.S. Fish and Wildlife Service documenting agreement to mitigate for loss of forest habitat for species listed under the Endangered Species Act and for migratory birds, including avoidance and minimization of impacts, and mitigation funding. We recommend that you address this within your Record of Decision. EPA reviewed and provided minor comments in a December 5, 2016, letter (copy enclosed) to the Michigan Department of Environmental Quality on its proposed Clean Water Act (CWA) Section 404 permit for the proposed project within Michigan. EPA reserves its right to provide future review and comment regarding wetlands/streams during the U.S. Army Corps of Engineers CWA Section 404 permitting processes for the NGT/TEAL Projects.

Additionally, we appreciate the effort by FERC to include within the FEIS additional discussion and information regarding greenhouse gas (GHG) emissions, including indirect GHG emissions from production and end use combustion. While we recognize that there are challenges in determining exact production and end use locations, the general GHG estimates are useful to the public and provide context for an informed decision. EPA continues to have recommendations to help you better characterize these emissions in future NEPA documents, which we have enclosed.

EPA recommends that FERC and the Project Proponents continue to work closely with the regulatory agencies on permitting issues, the affected communities, and other stakeholders as the proposed Projects proceed.

When FERC makes its determination regarding a Certificate, please send me one paper copy and one CD of the determination for our files. Thank you for the opportunity to comment on the FEIS. If you or your staff have any questions or concerns, I can be reached at 312-886-2910, or contact Virginia Laszewski of my staff at <a href="mailto:laszewski.virginia@epa.gov">laszewski.virginia@epa.gov</a> or 312-886-7501.

Sincerely,

Kenneth A. Westlake, Chief

NEPA Implementation Section

Office of Enforcement and Compliance Assurance

Enclosures:

12/05/2016 Letter to MDEQ

U.S. EPA Detailed Recommendations

cc (email):

- Federal Energy Regulatory Commission, Joanne Wachholder, Environmental Project Manager, joanne.wachholder@ferc.gov
- Michigan Department of Environmental Quality, Colleen O'Keefe, Water Resources Division, Lansing, MI, OKEEFEC@michigan.gov
- U.S. Army Corps of Engineers, Michael Hatten, Chief, Energy Resources, Huntington District, Michael.E.Hatten@usace.army.mil
- U.S. Army Corps of Engineers, Diane C. Kozlowski, Chief Regulatory, Buffalo District, Diane.C.Kozlowski@usace.army.mil
- U.S. Army Corps of Engineers, Scott Hans, Chief Regulatory, Pittsburgh District, Scott.A. Hans@usace.army.mil
- U.S. Army Corps of Engineers, Charlie Simon, Chief Regulatory, Detroit District, Charles.M.Simon@usace.army.mil
- U.S. Fish and Wildlife Service, Lynn Lewis, Assistant Regional Director, Midwest Region Ecological Services, Bloomington, MN Lynn Lewis@fws.gov
- U.S. Fish and Wildlife Service, Region 3, Regional Office, Jeff Gosse, jeff gosse@fws.gov
- U.S. Fish and Wildlife Service Region 3, Angela Boyer, Ohio Field Office, angela boyer@fws.gov
- U.S. Fish and Wildlife Service, Erin Adams, Michigan Field Office, erin adams@fws.gov

## <u>U.S. EPA's Detailed Comments Concerning the</u> <u>NEXUS Gas Transmission Project and Texas Eastern Appalachian Lease Project</u> January 9, 2017

The following recommendations are provided to help improve future FERC analyses and decision-making:

On Page 4-277, the FEIS states that "the emissions from construction and operation of the Projects... are small in comparison to the GHGs from each state." This comparison is presented as a frame of reference for emissions. It is not useful to compare project-level emissions to aggregated total emissions for geographic areas, because climate change is the result of large numbers of sources, each of which may be comparatively small, but that collectively lead to huge impacts. Therefore, comparing one project's emissions to the total emissions in the state does not contribute anything to the climate change analysis. We recommend not including comparisons of this type in future NEPA documents.

We also recommend omitting statements like the following on page 4-277: "Currently, there is no scientifically-accepted methodology available to correlate specific amounts of GHG emissions to discrete changes in average temperature rise, annual precipitation fluctuations, surface water temperature changes, or other physical effects on the environment in the Midwest region." For NEPA purposes, agencies can make a reasoned decision by comparing GHG emissions estimates among alternatives.

Additionally, we recommend omitting the sentences on page 4-278 from future NEPA documents: "NEPA does not, however, require us to engage in speculative analyses or provide information that will not meaningfully inform the decision-making process. Even if we were to find a sufficient connected relationship between the NGT and TEAL Projects and upstream development or downstream end-use, it would still be difficult to meaningfully consider these impacts, primarily because emission estimates would be largely influenced by assumptions rather than direct parameters about the NGT and TEAL Projects." It is reasonably foreseeable that the natural gas transported by the Projects would be produced and combusted, and the GHG emissions associated with production and combustion can be estimated, as the FEIS demonstrates.